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TREASURY FOR ERIN NEPHEW

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SUBJECT: JAMAICA: BRAZEN MURDER OF TRANSIT COMPANY OFFICIAL
BATTLING CORRUPTION

REF: A. KINGSTON 571
[1](#)B. 07 KINGSTON 1681

Classified By: Deputy Chief of Mission James Heg for reasons 1.4 b and d

Summary

[1](#)1. (C) Douglas Chambers, chairman of the Jamaican Urban Transit Company (JUTC), was brazenly assassinated on June 28. A respected accountant and partner at the auditing firm Chambers, Henry and Partners, Chambers had taken on the daunting job of restructuring the corrupt and inefficient JUTC last October for a salary of USD 1. Despite previous threats against him, he had refused personal security offered by the Government of Jamaica (GOJ). In a Parliamentary speech on July 1, Minister of Transportation Mike Henry praised Chambers' efforts to reform JUTC and described the corruption and incompetence which has led to losses of more than USD 2 million per month. It is too early to tell if the brazen murder will have a chilling effect on other anti-corruption efforts currently being undertaken by the Jamaican Labour Party (JLP)-led government (reftels).

Corruption in JUTC

[1](#)2. (C) Chambers was shot fifteen times by three gunmen as he stepped outside from a meeting at the JUTC main offices to smoke a cigarette. Rumors are circulating that the murder was carried out by Spanish Town's violent Klansman gang (known to support the opposition People's National Party (PNP)). Initial press reports in the Observer newspaper said one of shooters may have had a job at JUTC that was soon to be made redundant. Although according to professor Treveor Munroe former PNP Member of Parliament and friend of Minister of National Security Trevor MacMillan, the "redundancy excuse on the shootings is a red herring." In his opinion, it was Chambers' investigation into the fraud in the JUTC procurment section that led to his death. Munroe feels very strongly that this killing was meant to send a message to any JLP-supporter involviend in ferreting out corrtun PNP practices. Chambers had recommend that 481 jobs be cut. Sixty-five drivers were being given an opportunity to be retrained; if they did not accept the offer, they too would lose their jobs.

[1](#)3. (C) Chambers recently completed a report on corruption and mismanagement that at the JUTC. Henry told Parliament that abuses included: the unauthorized sale of discounted student tickets to those who were not eligible; abuse of sick leave and overtime (employees call in sick, a fellow employee would be tasked with overtime, and the two employees would split the additional overtime funds); the outright theft of bus fares, estimated at USD 400,000 per month; failure to repair broken vehicles; lack of transparency in the purchase of fuel, the operation of unofficial buses, and a bloated work force that included 10 workers per bus. Henry noted that the international industry standard is 4.5 workers per bus. He said losses were more than USD 2 million per month, but Chambers' efforts had helped to stem the losses by as much as

USD 1 million in recent months. The number of staff is to be reduced to 5 workers per bus. Henry will be in charge of operations at JUTC until a replacement is found.

14. (C) In a response to Henry's statement in Parliament, PNP Member of Parliament Peter Phillips asked if Chambers had taken advantage of state security services. Henry responded that Chambers had been offered security services, but had declined them. Chambers had been scheduled to appear on June 30 to give members of the GOJ a full financial report on the JUTC and to discuss the future of funding needs for the transit company. Phillips asked if Henry knew the new subsidy figure that would be provided to the JUTC. (Note: this appeared to many in the audience to be a rather callous comment by Phillips, since the murder of Chambers just two days before clearly had been a set back for evaluating operations at JUTC).

Chilling Effect on Anti-Corruption Efforts?

15. (C) Econoff spoke with Dennis Chung, who also sits on the JUTC board, on July 1. Chung said other members of the JUTC board has been threatened, including himself. Chung now carries a firearm and has hired a personal bodyguard to travel with him. Chung said the murder of Chambers was senseless because the reforms and staff reductions would continue at JUTC. Chambers had been scheduled to relinquish the JUTC chairmanship by October. Chung said Chambers had been well respected in Jamaica, and his murder is a serious cause for concern among others trying to root out corruption.

On July 2 Lisa Palmer, Deputy Director of Public Prosecution (DPP), told Econoff that the murder of Chambers would not have a chilling effect on the GOJ's anticorruption efforts. She said the tragic murder of Chambers shows how serious the threat of corruption is to Jamaica's future. In contrast, Police Commissioner Hadley Lewin state that the police were treating this as a simple murder and the motive was the individual's loss of a job at JUTC. Leslie Green, the Assistant Commissioner of Police believes the assassination was direct retaliation by the Klansman gang who had a number of members employed at JUTC that are being fired in the downsizing. Green said the murder was thoroughly investigated and arrests should be made soon.

16. (C) COMMENT: The GOJ has embarked on major reform in the JUTC, Air Jamaica, Customs and the police force. The government is making headway, but the death of Chambers could weaken the GOJ's ability to attract top quality applicants to what are becoming increasingly risky positions. The murder has also shaken the already wavering confidence of ordinary Jamaicans. Callers to radio talk shows this week have been using terms like "failed system" to describe the inability of Jamaica's political process to curb crime and violence. In the July 3 Observer newspaper, prominent columnist Mark Wignall apportions blame for the Chambers killing between the "the 18-year old kleptocracy of the last PNP administration" and the "wishy-washy leadership of Bruce Golding, which as been pussy footing with weeding out the termites" in the system. Time is indeed growing short for this government to show some results on security.

JOHNSON